

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY Hungary

REPORT NO. [REDACTED]

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SUBJECT Operation of the Lóerinci Rolling Mill

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1. The Lóerinci Rolling Mill was located on Apponyi Andras Street 38, Budapest XVIII (Pestszentlőerinc). The number of employees did not exceed 500 men and women, and the factory operated in three shifts.
2. The Lóerinci Rolling Mill was an important war industry, for it produced rolled armor plates for tank armor and military river patrol boats. The factory also produced plates for commercial towing ships and buoys. Since these items were urgently needed, the work tempo at the factory was quite inhuman.
3. This mill had the only rough rolling machine in Hungary. The machine was eight m. high and six m. wide, with twin cylinders, each four to five m. long and each weighing about 24-28 tons. This machine was of West German origin. It was not possible to cast such a large machine in Hungary.
4. In 1950 the State Planning Office had decided to import another rough milling machine from the West, but when trade stopped in the Fall of 1951 that project did not materialize.
5. When deliveries of cylinders from the West stopped, the MAVAG Metallurgical Works attempted to cast heavy-weight cylinders in Hungary. After several unsuccessful trials, they managed to cast three cylinders which they sent to the Lóerinci Rolling Mill. The expenses of the tests required in their production were all calculated in the prime cost, and thus the three cylinders delivered were booked at a price of 600,000 forints. Considering

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that the quality of these cylinders was inferior and their durability was about one-third of the durability of imported cylinders, this was a very high price. Twelve West German cylinders of similar size but of better quality, including transportation expenses, cost only about 150,000 forints. Thus the price of imported cylinders came to only 6.2% of the cost of domestically produced cylinders.

6. For the rolling of plates at the Loerinci Rolling Mill the MAVAG Metallurgical Works provided basic material in the form of the so-called "platinas" plate bars (sheet bars), 2,000 x 400 x 200 mm. in size, and weighing about one ton each. The factory of the Loerinci Rolling Mill was so small that the cutting of rolled plates into sheets and further processing created serious problems. All work in the factory was done on the rough plate machine. The sheets, 800 degrees Celsius hot, coming out of the heating furnace on moving steel rollers were conveyed to the rough milling machine, which did milling in two directions. After rolling, the sheet block was left to cool, and the plates went from the sheet cutting machine directly to the loading platform for delivery. In order to reduce flying cinders the workers threw broomcorn on the glowing pieces during the milling process.
7. The lack of industrial chains in the country was keenly felt at the Loerinci works [redacted] Worn out pulleys, belts and other industrial chains broke daily, which, aside from affecting production, also caused many accidents among the workers. This problem, in addition to interruptions in the operation of the plate milling machine when rollers had to be changed or when cylinders cracked, made Laszlo KOMJATHY's position of responsibility for uninterrupted production at the works as Deputy Minister in the Foundries and Machine Industries Ministry, a most difficult one. [redacted] note: [redacted] refers to Istvan KOMJATHY as a Deputy Minister. Further trouble was constantly caused by the failure of the MAVAG works to send basic materials on time.
8. The Loerinci Rolling Mill had never fulfilled its production plan. Many times it was 20% behind--a condition that was cause for great alarm in the Departments of Production, Technological Prevention, and Maintenance of the Iron Metallurgy Division of the Foundries and Machine Industries Ministry. When the factory's production lagged behind the plan, not only factory chiefs were penalized, but also the responsible officials in the Ministry. In the Iron Metallurgy Division of the Ministry no production meeting, Union Day, or Party meeting passed without a discussion of the production failure of the Loerinci Rolling Mill.
9. The Materials and Goods Distribution Department of the Loerinci Mill was unpopular with the officials at the Ministry. Chief of the Materials and Goods Distribution Department was Dr. Istvan KULCSAR, who worked on accounting and transportation, while (fnu) HOLLOSI worked on procurement and supply of materials.

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